

Frequently Asked Question Regarding the Automatic Taxpayer Refund Credit 2012

Q. What is the Automatic Taxpayer Refund?

In 2011, and updated in 2012, the Indiana General Assembly passed Governor Daniels' proposed legislation providing an Automatic Taxpayer Refund credit for eligible Indiana taxpayers when the state budget surplus exceeds the amount needed to protect against a downturn in the economy. Eligible Hoosier taxpayers will share equally in the Automatic Taxpayer Refund credit by keeping more of their hard-earned money.

Most taxpayers are eligible for the credit, but there are three qualifications:

1. An eligible taxpayer must have timely filed a full-year Indiana resident income tax return for tax year 2011
2. Must timely file a full-year resident Indiana income tax return for tax year 2012
3. Must owe some tax to Indiana for 2012. This means you must have a modified state tax liability for 2012 (you have to have some income subject to tax in Indiana, minus certain credits)

We estimate that approximately 3,262,000 taxpayers will qualify for the refund credit.

Q. How much is it?

The refundable credit that has been authorized for 2012 is \$111 per eligible taxpayer (\$222 for an eligible married couple filing a joint return).

Q. When should I get it? / How do I claim it?

Individual taxpayers claim the credit on their 2012 individual tax return (IT-40, IT-40EZ or IT-40PNR) which is due by April 15, 2013 (plus extensions). Complete instructions can be found in the tax booklets for each form.

Q. I owe back taxes, will I still qualify?

As long as you meet all other requirements you are still eligible to take the credit. Your refund is still subject to paying off the past balance before any refunds will be issued, but the credit can be used to satisfy the amount due.

Q. What happens if I claim the credit and do not qualify?

The Department will automatically correct your return and issue a lower refund or additional balance due. You will receive a letter in the mail notifying you of the change.

Q. What happens if I forget to include the credit and I do qualify?

The Department will automatically correct your return and issue a higher refund or lower balance due. You will receive a letter in the mail notifying you of the change.

Q. Who should I contact if I believe the Automatic Taxpayer Credit amount I received was incorrect?

If the reason listed for the adjustment is valid, no action is required on your part unless an additional amount due must be remitted. In most circumstances a call to the Department is not warranted, but if you require clarification you may call (317) 232-2240. Please review the qualifications prior to calling the Department.

If you disagree with the adjustment, please reply to your notice of change with an attached explanation including supporting documentation as to why you believe you are eligible for the credit. This information will be referred to our legal division. If, after 60 days, you would like to inquire about the status of your case, please contact the department's legal division at (317) 232-2100.